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ADEN. 24 Dec.—In an attack by armed tribesmen at Dhala, the British Agent in the Western Protectorate and two Government guards were wounded and one guard was killed. Four of the assailants were killed.

27 Dec.—Guards opened fire when Nationalist demonstrators broke into the Sultan's palace at Mukalla, in the Eastern Protectorate, and eight demonstrators were killed and five soldiers wounded. Martial law was proclaimed and a curfew imposed.

ALBANIA. 18 Dec.—Protest to Yugoslavia (*see U.S.S.R.*).

1 Jan.—The Ministry of the Interior announced the 'annihilation' of a group of twenty-nine persons described as 'spies and subversive elements' who had been dropped by parachute or landed by submarine on Albanian shores. The communiqué added that a close co-ordination between the Yugoslav, Greek, U.S., and British intelligence services had been established and that the United States was directing espionage in Albania.

ARGENTINA. 28 Dec.—New meat proposals (*see Great Britain*).

AUSTRALIA. 18 Dec.—*Defence Planning*. Mr Menzies, Prime Minister, indicated at the first meeting of the National Security Resources Board the directions in which the Board could best advise the Government on the mobilization of national resources. He said the Government did not favour the immediate conversion of the national economy to a war-time footing as it did not accept the inevitability of war. A balanced national effort in both civilian and defence matters was required, with advice on relative priorities and a budget of manpower and materials. The soundest defence policy was a strengthening of the nation's economic foundations while preparing for future mobilization.

20 Dec.—*Colombo Plan*. Mr Spender, Minister for External Affairs, announced a contribution of £25 m. to S.E. Asian countries under the plan and £7 m. in the year 1951-2. This was in addition to £A3.5 m. already given to the S.E. Asian technical assistance programme.

Communism. After a hearing lasting twenty-three days, the High Court reserved judgement on the challenge brought by the Communist Party against the Communist Party Dissolution Act.

21 Dec.—*Germany*. Mr Spender announced that the Government would terminate the state of war with Germany on a date to be determined. The termination would be distinct from any final settlement and would not affect Germany's debt and claim obligations.

22 Dec.—*Immigration*. An agreement with Italy for the immigration of 15,000 Italians during the next five years was announced.

25 Dec.—Mr Menzies' visit to India (*see India*).

28 Dec.—Mr Menzies' visit to Pakistan (*see Pakistan*).

1 Jan.—The Jubilee year opened with a message to the Australian people broadcast by the King from London.

2 Jan.—*Japan*. Mr Spender reaffirmed that there should be an early settlement of a peace treaty with Japan with safeguards against a revival of Japanese militarism.

AUSTRIA. 31 Dec.—Dr Karl Renner, President of the Federal Republic, died after a short illness.

BELGIUM. 20 Dec.—*Defence*. The House of Representatives approved a Defence Bill increasing regular army strength to 150,000 men in 1951 and providing for defence against air attack.

BENELUX. 28 Dec.—A ministerial conference at The Hague ended after agreeing that the agricultural protocol should come into force on 1 January. It was also decided that the arbitration clause agreed upon at Luxembourg on 21 October should be removed and become operative only with the establishment of the complete Benelux Union.

BULGARIA. 18 Dec.—Protest to Yugoslavia (*see U.S.S.R.*).

21 Dec.—Yugoslav estimate of armed strength (*see Yugoslavia*).

CANADA. 20 Dec.—*Hong Kong*. It was announced that the ban on exports to Hong Kong had been removed from non-strategic goods. Suspension of export permits for the Chinese mainland remained in force.

29 Dec.—*Immigration*. Details were announced of a Government plan under which selected immigrants from Britain and Europe for specified employment would receive advances on a recoverable basis towards their passage to Canada.

2 Jan.—*Atomic Energy*. It was announced that the Atomic Energy Control Board had been authorized to proceed with plans for another atomic energy pile at a cost of \$30 m.

3 Jan.—*North Atlantic Treaty*. Mr Claxton, Defence Minister, announced that Canada was offering the North Atlantic Treaty countries increased participation in the air training scheme already functioning in Canada.

Great Britain. It was announced that the Cabinet had decided on a general policy of ending subsidized food shipments to Britain.

CHINA. 22 Dec.—*Korea*. Mr Chou-en-lai, Peking Premier and Foreign Minister, rejected in a broadcast speech the proposal for a cease-fire made by the U.N. Cease-fire Committee. He said the committee was unlawful because Communist China had not participated in its creation, and, repeating former allegations of U.S. aggression in Korea, Manchuria, and Formosa, demanded the withdrawal of all foreign troops from Korea, the withdrawal of the U.S.A. from Formosa, and the admission of Communist China to the United Nations.

28 Dec.—*United States*. The New China News Agency reported that the Government had seized all U.S. assets in China and frozen U.S. deposits in Chinese banks.

30 Dec.—*United States*. According to a Peking Radio broadcast, the two U.S.-owned Shanghai Power and Telegraph companies were placed under military control.

1 Jan.—*Barter agreement with India* (*see India*).

2 Jan.—Mr Nehru's statement on China (*see India*).

CHINA (*continued*)

3 Jan.—It was learned that the People's Political Consultative Conference in Peking had issued a New Year manifesto urging the strengthening of national defence and the 'people's volunteers' in Korea, the consolidation of the 'people's dictatorship' and of economic rehabilitation at key points, the enforcement of land reforms, and the strengthening of 'educational work' against U.S. imperialism. It was stated that Chinese security had been safeguarded by military events in Korea and that the People's State, which had formed a powerful alliance in 1950 with the Soviet Union, had become a powerful State respected throughout the world.

• Mr Nehru's further statement on China (*see Egypt*).

COLOMBIA. 19 Dec.—Contingent for Korea (*see Korea*).

CZECHOSLOVAKIA. 19 Dec.—*Church and State*. It was learned that according to a statement in the Slovak journal *Katolícke Noviny*, a one-month's course had been started in Prague for the political training of Roman Catholic journalists with the object of ensuring that Roman Catholic periodicals should always write from a standpoint which was 'accurate, untwisted, and linked with Socialist construction'.

27 Dec.—It was learned that a French clerk in the French Embassy in Prague had been sentenced to twenty-five years' hard labour for helping to smuggle samples of uranium ore to France. A Czech was sentenced to death and another man to twenty years' hard labour for assisting in the plot. The French Embassy was not informed of the trial and the clerk was held *incommunicado* from his arrest until after his sentence.

Trade. It was stated in a radio interview with Dr Gregor, Minister of Foreign Trade, that the proportion of Czechoslovakia's trade with the U.S.S.R. had increased from 45 per cent in 1949 to 50 per cent in 1950, and that it would increase still further in 1951. It was emphasized that Czechoslovakia was still deeply interested in 'non-discriminatory' trade with the West.

29 Dec.—A Yugoslav subject was sentenced by the Prague State Court to eight years' imprisonment for espionage.

1 Jan.—President Gottwald said in a New Year broadcast that Czechoslovakia had maintained its foreign trade during 1950 at its previous level and had ended the year with a favourable balance.

DENMARK. 20 Dec.—*Great Britain*. An increase of 5½ per cent in the price of Danish bacon for the U.K. as from 1 January 1951 was agreed upon after prolonged negotiations.

EGYPT. 20 Dec.—*Suez Canal*. It was learned that the Egyptian Customs administration had decided to remove restrictions denying repair facilities at Egyptian ports to ships which had been blacklisted for entering Israeli ports.

29 Dec.—*Pakistan: Sudan*. Mr Fazlur Rahman, Pakistan Minister of Education, who was in Egypt to attend celebrations for the twenty-first

anniversary of Fuad the First University, expressed Pakistan's support of Egyptian demands for British evacuation of the Sudan and its unification with Egypt under the Egyptian Crown. He said that Pakistan would be ready to leave the Commonwealth to bring about the realization of these demands.

3 Jan.—*India*. Mr Nehru, Indian Prime Minister who was *en route* to the U.K. for the Commonwealth Conference, said to press representatives that although the Peking Government pursued a policy aligned to Moscow, Communist China was no satellite of Russia and was one of the major factors of the twentieth century.

EIRE. 22 Dec.—*Netherlands*. A trade agreement with the Netherlands, replacing that of November 1949, was signed in Dublin.

27 Dec.—*Bank Strike*. A strike of Bank officials began, causing the closure of all banks throughout Eire.

2 Jan.—*Price Freeze*. A Prices and Charges Standstill Order was announced, freezing the prices of a wide range of foodstuffs, materials, and other goods as they stood on 2 December. The setting up of a prices advisory body to review prices was also announced.

FINLAND. 28 Dec.—Visit of Prime Minister to Italy (*see Italy*).

FRANCE. 19 Dec.—Conference of U.S., U.K., and French Foreign Ministers on Germany (*see North Atlantic Treaty*).

21 Dec.—Allied-West German defence discussions (*see Germany*).

22 Dec.—Note to U.S.S.R. on four-Power conference (*see U.S.S.R.*).

23 Dec.—Signing of Pau agreement (*see Indo-China*).

25 Dec.—M. Pignon, retiring High Commissioner of Indo-China, arrived back in France.

27 Dec.—*Rhine Bridge*. It was learned that agreement had been reached with west Germany that the two countries should co-operate in building a bridge across the Rhine at Strasbourg to replace the Kehl Bridge destroyed in the war.

Budget. Opening the debate in the Assembly on the rearmament budget, M. Petsche, Finance Minister, said that the Assembly Finance Committee's proposals to reduce the proposed taxes and transfer some items from the rearmament budget to the ordinary budget created a deficit of 46,000 m. francs in the rearmament budget, and a total deficit of 89,000 m. francs which could be met only by inflationary measures. He said that it was essential to maintain the Government's proposed new taxation. A Communist motion opposing the rearmament budget on the ground that it would further a third world war was defeated by 412 votes to 176. M. Moch, Defence Minister, opposing it, said that the Red Army in January 1950 had 170 divisions totalling 4.6 m. men under arms, besides 950,000 men in the armies of the satellite countries. The Soviet military budget amounted to 7,000,000 m. francs excluding arms manufacture and shipyards.

28 Dec.—*Budget*. In the face of opposition from the Assembly to the rearmament budget, the Government proposed an amendment reduc-

FRANCE (*continued*)

ing expenditure by 4,500 m. francs and the proposed tax increases by 20,000 m. francs. A Bill would be introduced before 15 February to reduce current expenditure by an equal amount (20,000 m. francs), and the Government reserved the right to impose new taxation by decree if the economies had not been realized by March. The Finance Committee accepted the amendment, and it was decided to submit the proposed tax increases as a single item to the Assembly and to make it a vote of confidence.

29 Dec.—*Budget*. The Assembly approved by 416 votes to 180 the military credits of 740,000 m. francs for 1951.

Aid to Yugoslavia (*see Yugoslavia*).

30 Dec.—*Budget*. The special rearmament budget providing for 355,000 m. francs for defence and 140,000 m. francs of additional taxation was passed by the Assembly. The voting was taken on four separate issues and was as follows: 314 to 223, 328 to 186, 326 to 225, and 331 to 185. Gaullist and right-wing deputies, who voted with the Communists against the Government on two issues and abstained in the other two cases, explained that though they approved the rearmament programme in general, they disapproved certain of the Government's methods in financing it. M. Reynaud spoke of U.S. criticism of French slowness in rearming and of the generosity of U.S. military aid, and said that failure to vote the necessary taxation might result in a disastrous estrangement with the United States. M. Pleven recalled past injustices in the distribution of European defence efforts and said that at last after two wars France stood side by side with the United States and Great Britain. Replying to criticisms of wastage of defence funds, he pointed out that defence installations destroyed in the war had had to be reconstituted and said that since 1947 every effort had been concentrated on creating an army of twenty divisions.

31 Dec.—Soviet Note on four-Power conference (*see U.S.S.R.*).

2 Jan.—*Communism*. The banning throughout French territory of five Soviet publications, including the humorous weekly *Crocodile*, was announced.

Budget. The finance committee of the Council adopted by one vote the rearmament budget of 355,000 m. francs voted by the Assembly, but rejected by one vote the provision for additional taxes of 140,000 m. francs.

3 Jan.—*Indo-China*. In a report to the Council of Ministers on the situation in Indo-China, M. Letourneau, Minister for the Associated States, said that the nomination of Gen. de Lattre de Tassigny as High Commissioner had greatly improved the morale of both the Army and the native population. He had made an excellent impression on the three heads of States and their Ministers.

Communism. The Cabinet decided to remove all Communists and 'fellow-travellers' from the Atomic Energy Commission.

GERMANY. 18 Dec.—*East Germany*. The Communist news agency A.D.N. reported that twenty Germans had been sentenced to punish-

ments ranging from ten years' imprisonment to death by shooting for espionage on behalf of the U.S.A.

Delegation to Poland (*see Poland*).

West Germany. Youth Training Scheme. A Government plan, costing initially 53 m. D. marks, was launched to provide training and care for the hundreds of thousands of homeless children. Dr Adenauer, Federal Chancellor, said international understanding would be encouraged.

19 Dec.—*East-West German trade.* It was learned that the agreement due to expire on 31 December had been extended for another three months and that negotiations for a new agreement were to be renewed. Inter-zonal trade was reported to have expanded, deliveries from the eastern Zone being to the value of 32 m. marks in November compared with 26 m. marks in October, and exports to the east being to the value of 29 m. marks compared with 23.5 m. marks in October.

Conference of U.S., U.K., and French Foreign Ministers (*see North Atlantic Treaty*).

Western Defence. Dr Schumacher, Social Democratic leader, vigorously restated at Hanover his objections to a German defence contribution in present conditions.

20 Dec.—*West Germany.* Gen. Pachala announced the formation of a Sudeten German-Czech Federal Committee whose aim would be to unite Sudetens in exile and give support to those living in Bohemia, Moravia, and Silesia in their resistance to the Czech Government. Gen. Pachala estimated that there were 2 m. Sudeten Germans in the Federal Republic, 600,000 in eastern Germany, and 300,000 in Austria.

21 Dec.—*West Germany: Western Defence.* Discussions were opened between the three Allied High Commissioners and Dr Adenauer who was informed of the results of the Brussels conference. A statement issued after the meeting said that the Chancellor had been assured that the Federal Government would not be faced with *faits accomplis* in the matter of a German contribution to western defence and that conversations on the question would shortly be initiated between German and allied experts. The Federal Chancellor noted with satisfaction that the allied Governments were prepared to place their relationship with the Federal Government on an increasingly contractual basis.

East Germany. Herr Pieck, east German President, on his return from a State visit to Poland, replied to a reference by the Prime Minister, Herr Grotewohl, to the Western Powers decisions 'aimed at the remilitarization of west Germany' by calling on the People's Police to fight for peace and the protection of east Germany.

Mr Stalin's seventy-first birthday was the occasion for widespread adulation in the press and in speeches in east Germany and east Berlin.

Prospective Australian termination of state of war (*see Australia*).

22 Dec.—*West Germany.* U.K. trade concessions (*see Great Britain*).

25 Dec.—*West Germany.* Dr Adenauer, Federal Chancellor, broadcast an appeal for national unity to meet the threat to world peace.

26 Dec.—*West Germany: Coal.* It was learned that the International Ruhr Authority had refused to modify the export coal quota for the last quarter of 1950, but, in order to help the Federal Government pending

GERMANY (*continued*)

their organization of better coal distribution and economies in home consumption, had agreed to a reduction of 350,000 tons during December and January on condition that it would be spread over February and March. The position would be reviewed in February.

27 Dec.—*West Germany: U.S.A.* Mr McCloy, U.S. High Commissioner, said at a press conference that in negotiations with Russia every possible channel towards reaching a settlement between east and west Germany would be investigated, but nothing would be agreed which would tend towards making west Germany a Communist satellite. As regards the sending of U.S. troops to Germany, the extent of the American contribution would be affected by the extent of the German resolve to help herself. The allies would not conclude the proposed contractual relationship with the Federal Government until the Germans had fulfilled the conditions laid down in New York.

Production. Mr McCloy said that if the index for production were taken as 100 in 1936, the figure for 1950 was 128 compared with 96 in 1949. Of this, west Berlin produced 40 per cent compared with 17 per cent at the end of 1949. The value of exports was expected to reach \$1,740 m. (of which exports to the U.S.A. would be about \$100 m.) compared with about \$1,000 m. in 1949. Imports (which still exceeded exports) were about \$400 m. higher than in 1949. Daily coal production had risen from 256,000 tons to nearly 400,000 tons and monthly steel production from 749,000 tons to 1,100,000 tons. One million more persons were employed than a year previously.

East Germany: Jehovah's Witnesses. Three members of the proscribed sect 'Jehovah's Witnesses' were sentenced to terms of imprisonment ranging from two to five years. It was learned that the official film company, Defa, had been ordered to make a film depicting the 'criminal activities' of members of the sect.

West Berlin newspapers announced that two German newsreel photographers employed by Pathé News who had disappeared in July between Berlin and Helmstedt had been sentenced in east Germany to three and four years' imprisonment for taking employment in an American company.

Joint rebuilding with France of Rhine bridge (*see France*).

West Germany: Proposed Amnesty. It was learned that Admiral Hansen, President of an association for the defence of professional soldiers' rights had sent a letter to the three Allied High Commissioners and to western heads of States and political leaders, suggesting that a general amnesty should be granted to condemned members of the former Wehrmacht as a condition of a German defence contribution. He proposed a review by the United Nations or an impartial court of all cases of condemned members.

28 Dec.—*West Germany.* The appointment was announced of Gen. Kirkman to be U.K. Special Financial Representative in Germany in relation to *Deutschmark* occupation expenditure in the British Zone. It was stated that he would review such expenditure under the U.K. High Commissioner's budget.

29 Dec.—*West Germany: Refugees.* It was learned that the total number of refugees from East Germany during 1950 was over 60,000 (almost as many as in 1949): 1,013 were members of the People's Police Force.

Heligoland. Following the return of persons to Heligoland as a protest against its use by Britain as a bombing range, the U.K. High Commissioner issued an ordinance forbidding unauthorized persons to go there. Violation of the ordinance would be severely punished.

The Allied High Commission ordered the suspension of the next two issues of the Hamburg weekly, *Der Stern*, on account of mischievous criticism of occupation costs.

31 Dec.—*Berlin.* Mr McCloy, U.S. High Commissioner in west Germany, said in a broadcast that the frontiers of freedom were moral not geographical and the fate of the people in east Germany was as important as that of those in west Germany. A united, democratic Germany would continue to be the allies' aim in 1951.

East Germany. Herr Pieck said in a New Year broadcast that the unification of Germany would be the highest aim in 1951.

Soviet Note *re* Germany and four Power conference (*see U.S.S.R.*).

2 Jan.—*West Germany: Heligoland.* The British High Commission ordered that Captain von Blanc, German commander of the mine-sweeper flotilla at Cuxhaven, be relieved of his command owing to his refusal to make a minesweeper available to take off German squatters on Heligoland. Nine more demonstrators arrived on the island, in defiance of the British ordinance, making a total there of twenty-four.

Berlin. Herr Ebert, chief burgomaster of east Berlin, announced that east Berlin was to become fully and legally part of east Germany, thus finally unifying east Berlin with east Germany.

Representatives from Russia and the eastern countries and from the Communist parties of Britain, Italy, Greece, Denmark, and Austria were reported to have arrived for the seventy-fifth birthday celebrations of Herr Pieck.

West Germany. Dr Lütken, foreign policy adviser of the Social Democratic Party, said that the Party favoured four-Power talks in order that agreement should be reached on German unification. Pending the conference, the Federal Government should refuse to rearm, debts should not be recognized, and no talks with Herr Grotewohl should be held.

3 Jan.—*West Germany: Heligoland.* A British patrol boat visited the island and took off the twenty-four squatters.

The U.S. High Commission announced the preparation of plans to move its H.Q. from Frankfurt to Bonn by 1 September in order to establish closer relations with the Federal Government.

GOLD COAST. 29 Dec.—New constitution (*see Great Britain*).

GREAT BRITAIN. 18 Dec.—Trial of British subjects (*see Poland*).

19 Dec.—Conference of U.S., U.K., and French Foreign Ministers on Germany (*see North Atlantic Treaty*).

Expulsion of U.K. officials from Poland (*see Poland*).

GREAT BRITAIN (*continued*)

20 Dec.—*United States*. Mr Walter Gifford, the new U.S. Ambassador, arrived in London to take up his appointment.

Anglo-Danish bacon agreement (*see Denmark*).

United States. Mr Walter Gifford, the new U.S. Ambassador, arrived in London to take up his appointment.

21 Dec.—Allied-West German defence discussions (*see Germany*).

Yugoslavia. The British Government offered to the Yugoslav Government a further credit of £2 m. for the purchase of raw materials.

22 Dec.—*West Germany*. It was learned that the Government had offered to help the Federal Government in its payment difficulties by allowing it to export during the nine months from 1 July 1950 to 31 March 1951 its quotas for twelve months. Great Britain would export to Germany quotas for six months only.

Note to U.S.S.R. on four-Power conference (*see U.S.S.R.*).

25 Dec.—In a Christmas broadcast to the nation, the King spoke of the choice facing every individual between the preservation of the Christian tradition or consent to its destruction.

26 Dec.—Persian rejection of oil agreement (*see Persia*).

28 Dec.—*Defence Restrictions*. Mr Strauss, Minister of Supply, announced the prohibition of the use of zinc for many purposes as from 1 February on account of its scarcity.

Argentina. The Argentine Ambassador handed to Mr Bevin, Foreign Secretary, new proposals for a meat agreement.

Appointment of Financial Representative in Germany (*see Germany*).

Netherlands. It was announced that Netherlands naval aircraft and pilots would be based in the U.K. in January for training.

29 Dec.—*Gold Coast*. The new constitution of the Gold Coast was published together with the text of a dispatch from Mr Griffiths, Colonial Secretary, to the Governor, which emphasized the continuing responsibility of the Colonial Secretary for Gold Coast government, described provisions designed to safeguard the public service, and announced the setting up of an advisory public service commission.

Closing of Information Centre in Warsaw (*see Poland*).

Production. Opening a productivity exhibition at Birmingham, Mr Gaitskell, Chancellor of the Exchequer, said that production had increased in 1950 by 8 per cent and in the past three years by 25 per cent. He recognized that rearmament and the restrictions on scarce raw materials would cause difficulties and a fall in production in some sections of industry, and he urged that the balance should be restored by greater output from other sections.

Pakistan support for Egypt's claims on the Sudan (*see Egypt*).

E.C.A. The ninth report on operations under the E.C.A. agreement between the United States and the United Kingdom was published as a White Paper. (Cmd. 8115). In the first nine months of 1950, the average value of British exports to other O.E.E.C. countries was nearly £52 m. a month, an increase of nearly 34 per cent over the comparable figure for 1949: imports, at more than £58 m. a month, had increased by less than 19 per cent.

31 *Dec.—Finance.* The Exchequer returns for the first nine months of the 1950-1 financial year showed total ordinary revenue at £2,374 m. and total ordinary expenditure (inclusive of sinking funds) at £2,320 m., making a revenue surplus of £54 m. compared with a deficit of £34 m. for the corresponding period in the previous year.

King's broadcast to Australia (*see Australia*).

Soviet Note on four-Power conference (*see U.S.S.R.*).

1 *Jan.—Jamaica.* The annual report on Jamaica was published by the Colonial Office. It showed that the adverse balance of trade had been reduced to some £7 m. The need for additional funds for education was stressed.

3 *Jan.—Fuel Crisis.* Mr Attlee and other Ministers appealed to the executive committee of the National Union of Mineworkers for an extra 3 m. tons of coal by the end of April. Coal figures for 1950 were published which showed that about 1.7 m. tons less than the lowest estimate of the *Economic Survey* had been produced, that exports in fifty-one weeks were over a million tons less than in 1949, and that total distributed stocks, at 13,340,000 tons, were nearly 2 m. less than in 1949.

Ending of Canadian subsidized food shipments (*see Canada*).

GREECE. 3 *Jan.—Yugoslavia.* It was announced that agreement had been reached on the formation of two committees, each composed of one Greek and one Yugoslav, to study the restoration of communications between the two countries.

Communism. It was reported that sixty alleged members of a 'Communist ring' had been arrested and charged with recruiting guerrillas and other subversive acts. A Communist underground information organization was reported to have been discovered in Athens.

HONG KONG. 22 *Dec.—Relaxation of U.S. ban on shipments (see United States).*

HUNGARY. 18 *Dec.—New Cabinet Posts.* It was learned that four new ministries for Metallurgy and Machine Industry, Mining and Electric Power, Food, and Health had been filled by Communists.

Protest to Yugoslavia (*see U.S.S.R.*).

21 *Dec.—Yugoslav estimate of armed strength (see Yugoslavia).*

29 *Dec.—*A decree was issued rationing petrol and oil and limiting the use of private motor cars to professional people.

30 *Dec.—*The Government issued a decree, ordering that the entire national economy should be devoted to 'hastening the building of a Socialist State and strengthening the national defences'. It stated that in the first year of the five-year plan, productivity had been raised by 19.4 per cent. Careless spending was criticised and economy measures laid down, the violation of which would be subject to severe punishment.

2 *Jan.—Rationing.* The rationing of sugar and flour was introduced.

INDIA. 19 *Dec.—Pakistan.* Financial discussions with Pakistan opened in New Delhi.

INDIA (*continued*)

21 Dec.—*Nepal*. Mr Nehru, Prime Minister, told Parliament that in a memorandum handed early in the month to Nepalese representatives in Delhi, the Indian Government had advised the Nepalese, in the urgent interests of establishing an independent, progressive, and strong Nepal, to set up as soon as possible an elected constituent assembly charged with drawing up a constitution, and in the meantime to establish an interim Government including popular representatives and with a member of the Rana family as Prime Minister. The Indian Government had also advised, in the interests of peace and stability, that King Tribhuvana Bir Bikram Shah (at present in exile in India) should continue to be King of Nepal. The Prime Minister of Nepal had accepted the proposals in a friendly manner and had said that they were being worked on and he expected to announce constitutional reforms before the end of the month. Mr Nehru said that India appreciated the friendly tone of the reply and emphasized that any delay in introducing reforms would increase the danger to Nepal's security.

22 Dec.—*Nepal*. The exiled King Tribhuvana of Nepal issued a statement in Delhi in which he thanked the Indian Government for its good will and hospitality and expressed the hope that the Nepalese Government would move with the times and allow the association in the Government of elected representatives.

25 Dec.—*Australia*. Mr Menzies, Australian Prime Minister, arrived in Delhi on a two-day visit *en route* for London.

Nepal. Gen. Bijaya Shumshere Jung Bahadur Rana, Nepalese Director-General of Foreign Affairs and son of the Prime Minister, arrived in Delhi for discussions.

26 Dec.—*Government Changes*. It was announced that the Ministries of Home Affairs and of Indian Princes formerly held by the late Sardar Valabhbhai Patel had been given to Mr C. Rajagopalachari and Sir N. Gopalaswami Ayyengar respectively. The Ministries of Commerce; Industry and Supply; and Works, Mines, and Power were to be re-organized by 1 February as those of Commerce and Industry; Works, Production, and Supply; and Natural Resources and Scientific Research.

Hindu Mahasaba. The annual convention passed a resolution calling for a boycott of foreign goods. Two other resolutions adopted opposed any reduction in the strength of the armed forces and accused the Government of curbing civil liberties and stifling opposition parties.

27 Dec.—*Union of Rulers Conference*. Addressing the concluding session of the two-day conference at Bombay, the Maharaja of Baroda deplored the shattering of the princes' hope of increasing their service to India after the attainment of freedom, and complained of the administrative officers in former Indian States, many of whom had compelled former rulers to become refugees. He also asserted that solemn undertakings had been set aside on the plea of expediency and he appealed for an investigation of his complaints.

Tibet. A spokesman of the North-East Frontier administration at Shillong said that Chinese troops in eastern Tibet were stationed at

Chamdo, Menkong, Sanga Chodzong, and Dayul Gumpa and were practically in control up to India's north-east border. It was reported that there were not more than 300 Chinese troops in eastern Tibet, but local Tibetans were being recruited for the Chinese army. Tibetan officials had left Rima near the Indian border to avoid capture.

28 Dec.—*Point Four Programme*. An agreement was signed in Delhi between India and the United States, providing for U.S. technical assistance to India under the Point Four programme. The first allocation for the year ending 30 June 1951 was fixed at \$1,200,000. It was arranged that fifty U.S. technicians would go to India, and up to 100 Indian students could receive technical training in the United States.

31 Dec.—In a broadcast to the nation on the eve of his departure for the Commonwealth Conference in London, Mr Nehru said that Indian policy had been dominated by the desire to maintain peace, but peace could not be bought by compromise with evil or by aggressive methods. India sought no dominion over others but she would defend herself if threatened. Turning to internal problems, he spoke of the serious food shortage and said that if efforts to get food from abroad failed, the available food in the country must be shared equitably.

1 Jan.—*Nepal*. It was announced that Indo-Nepalese discussions begun on 26 December had been concluded 'in a hopeful atmosphere'.

China. It was announced that a barter agreement had been concluded with the Peking Government who would send up to the end of March 50,000 tons of rice in exchange for 37,000 bales of Indian jute.

2 Jan.—*China*. Before leaving for London, Mr Nehru said that he would press at the Commonwealth Conference for the admission of the Peking Government to the United Nations.

3 Jan.—Mr Nehru's statement on China (*see Egypt*).

Nepal. It was learned that the Nepalese Government had agreed to the convening within two years of a constituent assembly based on adult franchise with power to frame a democratic constitution.

INDO-CHINA. 18 Dec.—The garrison of Dinhlap, about 100 miles north-east of Hanoi, withdrew for strategic reasons to positions about ten miles to the south. Successful anti-Viet-Minh mopping-up operations were carried out in the Haidong area, in central Viet Nam, and in an area south-west of Saigon. It was reported that two arms factories, thirty-seven military camps, and several depots of radio equipment and food had been destroyed in the recent French offensive in the forest of Anson, about fifteen miles north of Saigon.

19 Dec.—M. Pignon, former French High Commissioner, left for France.

Gen. de Lattre de Tassigny, French High-Commissioner and C.-in-C., said at a staff conference at Hanoi: 'The period of indecision has come to an end . . . I promise you that you will be commanded'.

21 Dec.—Dr Pham van Huyen, former Minister in the Ho Chi-Minh rebel administration who broke with the rebels in August, declared in a public statement that he had found it impossible to remain with the Viet-Minh administration without becoming a Communist. When he

INDO-CHINA (*continued*)

arrived in Viet-Nam territory he found that he had been in complete ignorance of outside events and subject only to Communist propaganda. He said the Viet-Minh administration functioned relatively efficiently, its methods being elastic and adaptable to military requirements.

M. Tran van Huu, Viet-Nam Prime Minister, said that from the beginning of January 1951 all main administrative departments of State would be controlled by Viet-Nameese officials, but he proposed to ask former French heads of certain departments to remain in an advisory capacity. It would be several months before the administration could be entirely entrusted to Viet-Nameese nationals.

23 Dec.—U.S. Aid. Military aid conventions were signed in Saigon between the U.S.A. and Viet Nam, Cambodia, and Laos, together with France.

Pau agreement. The Pau agreement for the administration of common services and the navigation of the Mekong River was signed by France, Viet Nam, Cambodia, and Laos.

26 Dec.—Increased Viet-Minh activity was reported north-west and north-east of Hanoi, and the post of Binh-Lieu, thirty-five miles west of Monkay, was abandoned by the French after heavy attacks. The post of So-Chon, about ten miles south-east of Dinh-Lap, was also given up.

27 Dec.—It was reported that Viet-Minh pressure on the Red River delta was increasing. Fierce fighting took place in the Son-Tay sector, twenty-five miles north-west of Hanoi, and severe losses were inflicted on the enemy.

It was learned that Gen. de Lattre de Tassigny had emphasized in a recent tour of Viet Nam, Cambodia, and Laos the necessity of building up first-class national armies to defend their independence.

28 Dec.—It was reported that letters received by insurgent troops' families revealed that 7,000 troops had crossed into China during the past two months for re-equipment.

M. Letourneau, French Minister for the Associated States, left Saigon for France.

One man was killed and eight were wounded by a grenade thrown by a terrorist in a Saigon café.

29 Dec.—It was reported that French counter-attacks in the Red River delta had forced enemy withdrawals from the posts north of Hanoi of Yen-Phu, Tien-Loi, Huu-Bang, and 'Hill 124', between the Day and Song-Cau rivers. Casualties on both sides were heavy. Defences in the Tien-Yen sector on the north-east coast were being strengthened to meet a developing enemy threat.

31 Dec.—It was reported that at least fifteen enemy battalions, armed and trained in China, had taken part in the recent operations in the delta.

1 Jan.—Reports from Saigon stated that enemy pressure in northern Viet-Nam was serious, particularly in the Tien-Yen area. French positions on the periphery of the Red River delta had been held, and in the sector north of the Red River the position was said to have improved after fighting against strong rebel attacks.

Gen. de Lattre's H.Q. announced that French civilian evacuation from Tongking had been stopped as it was no longer justified.

M. Trav van Huu, Viet Nameese Prime Minister sent a message to French soldiers and civilians emphasizing Franco-Viet Nameese friendship and saying that Frenchmen were welcomed in the new Viet Nam.
3 Jan.—Statement by M. Letourneau (*see France*).

INDONESIA. 26 Dec.—It was reported that 80 per cent of the buildings in Amboina had been destroyed during the recent military actions. About 20,000 of the inhabitants were temporarily lodged in encampments. The International Red Cross and the Indonesian Red Cross were sending medicines and foodstuffs.

27 Dec.—Conference on western New Guinea (*see Netherlands*).

ISRAEL. 22 Dec.—*Finance*. It was learned that Mr Kaplan, Finance Minister, in announcing that a \$1,000 m. loan issue would be placed on the U.S. market in May 1951, had said that without aid from American Jewry there would be serious danger of an economic crisis. Although the minimum cost in establishing the State and absorbing newcomers had been estimated at £1,250 m. (Israel), only £500 m. had been raised. He also announced that a Ministerial committee was studying the problem of the absence of reserve stocks.

26 Dec.—New U.S. loan of \$35 m. (*see United States*).

2 Jan.—*Foreign Policy*. While introducing the Civil Defence Bill providing for an extensive civil defence under the Army, Mr Ben Gurion, Prime Minister, spoke of the possibility of attack by Israel's Arab neighbours and said that Israel would abide by a policy of non-identification with either East or West, and would resist any aggression.

ITALY. 19 Dec.—*Rearmament*. A memorandum embodying Italy's rearmament plans, the result of prolonged Italo-U.S. discussions, was handed to the head of the E.C.A. mission in Rome. It proposed that the extra appropriations already approved for the defence budget should be raised from 150,000 m. lire to about 250,000 m. lire.

22 Dec.—*Foreign Policy*. Count Sforza, Foreign Minister, said in the Chamber that Italy would have to work hard and long to create the armed forces necessary to defend her frontiers. The Supreme Allied Commander would have no power to transfer Italian forces from Italian territory without the Government's consent. The only way in which Italy could preserve peace and remain free was to be collectively and individually strong enough to deter aggression.

Emigration agreement with Australia (*see Australia*).

23 Dec.—*Yugoslavia*. Agreements with Yugoslavia were signed in Rome regulating outstanding questions under the peace treaty including reciprocal financial and economic obligations.

27 Dec.—*Rearmament*. Signor di Vittorio, Secretary of the Communist-dominated Confederation of Labour, condemned at a press conference the Government's rearmament plans as harmful to the country's economy.

ITALY (*continued*)

28 Dec.—U.S. aid for rearmament (*see United States*).

Finland. Mr Kekkonen, Prime Minister of Finland, arrived in Italy on a health visit.

JAPAN. 20 Dec.—*Allied Council.* The Council met and discussed the repatriation of Japanese prisoners convicted as war criminals who were still in Soviet hands. Gen. Kislenko, the Soviet representative, declined to discuss the matter, describing it as 'illegal', and then spoke of General MacArthur's alleged violations of policy laid down by the Far East Commission regarding the democratization of Japan. He cited instances of violation of 'human freedoms' by the Japanese Government and recommended the abolition of recent Japanese decrees on trade unions. The U.S. representative replied that agreement with Soviet proposals would mean handing Japan over to the Communist party.

29 Dec.—U.S. memorandum to U.S.S.R. (*see United States*).

31 Dec.—Gen. MacArthur warned the Japanese people in a New Year message that if international lawlessness continued, Japan would have to rearm for self-preservation. Reviewing the political, social, and economic progress of the past year, he said that industrial production had exceeded the 1932-6 base level by an appreciable margin; foreign trade had increased by 50 per cent over the previous year; and the gap between exports and imports had been further narrowed.

2 Jan.—Australian policy *vis-à-vis* Japan (*see Australia*).

JORDAN. 28 Dec.—*Jerusalem.* A royal decree was issued creating the post of 'Curator of the Haram esh Sharif (Mosque of Omar) and High Guardian of the Holy Places of Jerusalem'.

KOREA. 18 Dec.—It was reported that the U.S. battleship *Missouri* had joined other allied warships in shelling the Chinese positions round the Hungnam perimeter. The Chinese were reported to be continuing small-scale attacks on the perimeter but without breaking the line. It was reported that F86 jet fighters known as Sabres and claiming to be the fastest aircraft in the world, had been used in Korea for the first time with success. In the west, guerrilla attacks were reported between Seoul and Chunchon.

A Canadian battalion of infantry arrived in Korea.

Communist Collaboration. The Chief Prosecutor of Seoul district court said that of 9,330 Communist collaboration cases, 4,200 had been found guilty and 390 had received death sentences. These figures did not include convictions in military courts. Dr Syngman Rhee, South Korean President, announced that he would review all death sentences both civil and military. He denied that children had been shot.

19 Dec.—It was announced that U.N. forces had evacuated Yonpo airfield near Hungnam and had shortened the perimeter to leave a beachhead two miles deep and five miles wide. An airstrip within the perimeter was being used. The Communist supply centres of Chongju and Pakchon were heavily bombarded.

Colombia. It was announced that Gen. MacArthur had accepted the offer of a Colombian battalion for Korea.

A South Korean precautionary plan for the civil evacuation of Seoul was published.

The North Korean Government were reported to have stated in a broadcast that the Communist army intended to invade South Korea, expel the Americans, and establish a unified Korean Government.

20 *Dec.*—Communist attacks on the Hungnam beachhead were reported to have increased and to have been supported for the first time by artillery. U.N. forces blew up the last bridge into the port and withdrew across the Tongsong River. In the west, heavy fighting broke out between North and South Korean forces in the Chunchon area.

A strict military censorship was imposed by Gen. MacArthur's H.Q. on all despatches from Korea.

21 *Dec.*—It was announced from Gen. MacArthur's H.Q. that total U.N. casualties, excluding South Koreans, from 27 November to 12 December totalled 12,975 of which 11,964 were Americans.

Executions. The South Korean Government announced the suspension of executions by shooting of political prisoners and criminals pending an investigation into the manner of carrying out such executions. The Minister of Justice described as false and 'vicious slander' reports that prisoners had been executed for holding unpopular views, that people had been executed without fair trial, and that children had been shot. Any past improprieties in executions revealed by the investigations would be punished.

Communist troops in regimental strength attacked South Korean forces north-east of Chunchon and drove them back two miles.

22 *Dec.*—Peking Premier's statement (*see China*).

Puerto Rican troops were reported to have contained enemy probing attacks against the Hungnam beach head. Six Russian-made jet fighters were shot down by U.S. Sabres in a major air battle without loss to the U.S. Air Force.

Mr Syngman Rhee, South Korean President, proclaimed in Seoul a limited amnesty for all prisoners, except those sentenced to death for 'peculiarly revolting' crimes. Prisoners serving terms of more than ten years would have their cases reviewed and those serving short terms would be liberated. The death sentence in cases yet to be tried would be suspended and cases of minor offences dismissed.

23 *Dec.*—Gen. Walker, U.S. Commander of the 8th Army, was killed in a motor accident. Gen. Ridgway, U.S. Deputy Chief of Staff, was appointed to succeed him.

The evacuation of X Corps from Hungnam was completed.

25 *Dec.*—It was announced that the evacuation of X Corps from Hungnam, involving the withdrawal of 105,000 troops including South Korean units, approximately 100,000 refugees, 17,500 vehicles, and 350,000 tons of equipment and supplies, had been completed on 23 December with light casualties and no loss of material. Gen. MacArthur reported that U.N. forces along the 38th parallel had improved their positions. Enemy pressure north-east of Chunchon had been contained.

KOREA (*continued*)

26 *Dec.*—It was announced that X Corps, recently evacuated from Hungnam to the Pusan-Pohung area, had been incorporated in the 8th Army. Fierce fighting between Chinese and South Korean troops was reported to be taking place at Korangpo, north of Seoul.

27 *Dec.*—Wide-scale bombing attacks were made by U.N. aircraft on enemy supply depots and communications. It was reported that in three days allied aircraft had killed or wounded 2,400 of the enemy.

A statement from Gen. MacArthur's H.Q. said that the North Korean army was rapidly and substantially augmenting its man-power. Twenty-two infantry divisions, one armoured division, and three brigades had been identified in the past twelve days, and there were reports of a training and expansion programme of the North Korean Army in North Korea and Manchuria.

28 *Dec.*—Gen. MacArthur said that two out of China's total of five field armies were deployed in Korea. China's preparations could be recognized as a war effort on a national scale and, according to reliable information, Peking had approved a military expenditure in 1951 which was three times that of 1950.

Enemy forces were reported to have occupied without opposition Kaesong and Chujon, south of the 38th parallel, and to have crossed the Imjin River near Korangpo.

29 *Dec.*—It was reported that pressure from two enemy regiments had forced South Korean withdrawals of 2,000 to 6,000 yards north-west of Oron and south-east of Yongpo, below the 38th parallel. Eighth Army troops had counter-attacked and the enemy attack was said to have been contained. U.N. aircraft continued their attacks and a heavy raid was made on the east coast port of Songjin.

30 *Dec.*—It was reported that the enemy had made further limited advances at both ends of the line, reaching points ten to thirteen miles south of the 38th parallel.

31 *Dec.*—Chinese and North Korean forces attacked in force during the night over a twenty-mile front north and north-east of Seoul. A diversionary attack by 10,000 North Koreans was launched simultaneously in east central Korea near Yongpo.

1 *Jan.*—Communist forces in the west established two bridgeheads over the River Imjin and drove U.N. forces back to within twenty miles of Seoul. U.N. Air Forces made 812 sorties—a record—and estimated that they had inflicted 2,650 casualties on enemy troops.

A press correspondent in Tokio said that he had been informed 'on high authority' that the existence of a joint Russian-Chinese H.Q. at Mukden, Manchuria, with Marshal Zhukov as Supreme Commander, had been reported to U.S. intelligence as early as 24 December.

2 *Jan.*—It was reported that the Eighth Army had withdrawn six miles to prepared positions north of Seoul, abandoning the towns of Uibongju, eleven miles north of Seoul, and Chunchon in central Korea. North Koreans were reported to have made deep penetrations in the east but had been strongly counter-attacked. Gen. MacArthur announced that the vanguard of the Chinese attack in the western and

central sectors comprised six armies and a minimum of three North Korean corps.

3 Jan.—The Eighth Army withdrew from Seoul in the face of overwhelming attacks by Chinese infantry supported by tanks and artillery. U.N. air and artillery counter-action were unable to stem the assaults. The city was left in flames. A break-through was reported in the central sector near Chunchon and Kapyong, both of which were occupied by the enemy.

President Syngman Rhee and other members of the South Korean Government left Seoul and arrived in Pusan.

MALAYA. 18 Dec.—*Muslim Riots.* Six prominent Muslims, including Kharim Ghani, the President of the Singapore Muslim League, were arrested in Singapore as a result of the recent riots.

19 Dec.—*Muslim Riots.* Sir Franklin Gimson, the Governor, announced to the Legislative Council that Mr Macintosh, the Hong Kong Police Commissioner, would shortly be arriving to make recommendations for improving the efficiency of the police. He also announced that a commission would be formed to inquire into the circumstances surrounding the recent riots. The Colonial Secretary gave details of measures proposed and already taken to prevent a repetition of the riots. The night curfew was lifted.

Three Europeans were killed by bandits, two in Perak and the other in Selangor.

20 Dec.—Four policemen and a labourer were killed and four labourers were wounded in a bandit attack on a mine in Johore.

21 Dec.—Mr Malcolm MacDonald, Commissioner-General in S.E. Asia, broadcast an appeal to citizens of Malaya to support the Government in ending terrorism.

It was reported that eight bandits, including a prominent Communist leader and a woman, had been killed in anti-bandit operations in various parts of Malaya.

22 Dec.—Two policemen were killed and three wounded in a bandit ambush in Selangor. Three bandits were reported killed and two wounded.

23 Dec.—Two persons were killed and nine wounded by bandits in Perak. A European police officer and two policemen were killed in a bandit attack on a police post in Selangor.

24 Dec.—Six bandits were claimed to have been killed in an attack on a bandit camp in Johore. The British patrol lost one killed and five were wounded.

25 Dec.—A British driver was killed and four British and two Chinese were wounded by a grenade thrown by a terrorist in Ipoh. Armed Chinese Communists robbed 200 civilians of identity cards in Singapore.

27 Dec.—It was announced that the night train service between Singapore and Kuala Lumpur would be suspended after 3 January owing to increased terrorist activity.

28 Dec.—It was learned that four bandits had been killed since the

MALAYA (*continued*)

previous day. Bandits in Perak killed two British soldiers and wounded another.

29 Dec.—The Mayfair Musical and Dramatic Association in Singapore was declared unlawful as its purposes were 'incompatible with peace and good order'. Its premises were raided by the police who seized 5,000 copies of its magazine, the *Mayfair Weekly*.

30 Dec.—Nine policemen and three civilians were killed and six policemen were wounded in a bandit ambush in Kedah State. Seven of the bandits were killed.

1 Jan.—Two constables were killed and three wounded in a bandit attack in Kedah.

In another bandit attack in Kedah, two police were killed, three wounded, and three reported missing.

2 Jan.—A Chinese detective was shot in the centre of the Chinese quarter of Singapore: two gunmen escaped on bicycles. Bandits fired on the night mail train from Kuala Lumpur to Penang, wounding two passengers.

3 Jan.—It was learned that during November 1950, bandits had destroyed or damaged property worth nearly £2 m. (Malayan). During the month, 421 detention orders had been issued, bringing the total since the beginning of the emergency to 21,593. Of these, 9,106 were still detained.

MALTA. 20 Dec.—Dr Enrico Mizzi, Prime Minister and leader of the Nationalist party, died at the age of sixty-eight. Dr G. Borg Olivier, deputy leader, accepted the offer of the Premiership.

NEPAL. 21 Dec.—Indian proposals for reform (*see India*).

22 Dec.—Exiled King Tribhuvana's statement (*see India*).

23 Dec.—Congress insurgent forces captured the industrial town of Biratnagar to the east of the Terai lowlands.

26 Dec.—Visit of Director-General of Foreign Affairs to India (*see India*).

1 Jan.—Conclusion of Indo-Nepalese discussions (*see India*).

3 Jan.—Proposed reforms (*see India*).

NETHERLANDS. 22 Dec.—Trade agreement with Eire (*see Eire*).

27 Dec.—*Western New Guinea*. The Netherlands-Indonesian conference begun on 4 December at The Hague ended without reaching agreement. The Netherlands Government proposed that talks should be resumed later with the assistance of the U.N. Commission for Indonesia. Two Dutch proposals, first that a Netherlands-Indonesian Council be created for western New Guinea leaving the sovereignty in Dutch hands until such time as the people were politically capable of deciding their own future, and a later proposal that the sovereignty should be transferred to the Netherlands-Indonesian Union with a continuance of Netherlands administration, were both rejected by the Indonesian delegation which, asserting that western New Guinea was part of the

Indonesian fatherland, demanded the ending of 'foreign' rule for its people. It was stated that the *status quo* of Dutch sovereignty would continue with Indonesia maintaining its claim.

28 Dec.—Training of naval pilots in U.K. (see *Great Britain*).

NEW ZEALAND. 22 Dec.—*Immigration*. It was announced that New Zealand would accept 2,000 more displaced persons from Europe.

31 Dec.—*Strikes*. A railway strike begun on 23 December ended.

NORTH ATLANTIC TREATY. 18 Dec.—A conference of the North Atlantic Treaty Powers opened in Brussels with a meeting of the Defence Committee. Mr Pace, U.S. Secretary of the Army, who presided, said that before sending defence aid to West Europe, the U.S.A. must be convinced that each country was doing all it could do. A joint meeting of the Defence Committee and the Council was held later.

19 Dec.—After a further joint meeting of the Atlantic Council and the Defence Ministers, a statement was issued announcing that arrangements had been completed for the establishment in Europe of an integrated defence force composed of contingents from the participating countries and that Gen. Eisenhower of the U.S.A. had been appointed the supreme commander with authority to train the different national units and organize them into an effective defence force. He would establish his H.Q. early in 1951 and would be supported by an international staff. The Deputies had been asked to initiate action to simplify the structure of the North Atlantic Treaty organization. Action had already been taken by the Defence Committee to establish a defence production board charged with expanding, accelerating, and co-ordinating the production of member nations, and having greater powers than the military production and supply board which it would supersede. Unanimous agreement had been reached on the question of a German contribution to western defence, and the U.S., French, and U.K. Governments had been invited to explore the matter with the German Federal Government. The sole purpose of the decisions taken was the maintenance of peace.

During the Council meeting, Mr Acheson spoke strongly on the need for the European members to accelerate and expand their defence production programmes which he said were inadequate. He proposed the appointment of someone on the production side, comparable to Gen. Eisenhower on the military side, who would have wide powers to integrate the various production programmes. He said available forces should be immediately placed at Gen. Eisenhower's disposal. M. Moch, French Defence Minister, announced that the three French divisions in Germany would be placed under Gen. Eisenhower's command at once.

It was later announced that the Defence Production Board would have its H.Q. in London and that Mr Batt, head of the E.C.A. mission in London would be the U.S. member. The problem of its powers and the appointment of a director was referred to the Deputies.

Germany. A statement was issued after a separate meeting of the

NORTH ATLANTIC TREATY (*continued*)

U.S., British, and French Foreign Ministers, announcing that their respective High Commissioners in west Germany had been authorized to explore with the Federal German Government the problem of associating Germany in western defence plans as well as any changes in the present occupation arrangements which might attend such an association. The three Ministers also approved a draft reply to the Soviet note on German remilitarization.

Appointment of Gen. Eisenhower's Chief-of-Staff (*see United States*).

NORWAY. 26 Dec.—Signing of trade agreement with Spain (*see Spain*).

ORGANIZATION OF AMERICAN STATES. 20 Dec.—U.S. request for meeting (*see United States*).

PAKISTAN. 19 Dec.—Indo-Pakistan financial negotiations (*see India*).

27 Dec.—Mr Menzies, Australian Prime Minister, arrived in Karachi on a short visit *en route* for London.

29 Dec.—Support for Egyptian claims on the Sudan (*see Egypt*).

31 Dec.—*Commonwealth Conference*. Mr Liaquat Ali Khan, Prime Minister, told a press correspondent that he felt he could make no useful contribution to the Commonwealth Conference unless it dealt with the question of Kashmir.

3 Jan.—*Kashmir*. The North-West Frontier Provincial Legislative Assembly unanimously adopted a resolution endorsing the Prime Minister's attitude on the Kashmir problem in postponing his departure for the Commonwealth conference. The Revenue Minister later called for a purge of pro-British officers who, he said, dominated higher politics.

PERSIA. 26 Dec.—*Oil Agreement*. The Government withdrew, in the face of strong opposition, the Bill to ratify the supplemental agreement for increased payments from the Anglo-Iranian Oil Company on the ground that they were not sufficient. The Finance Minister rejected as impracticable any idea of nationalization of the oil-fields. New negotiations would be started with the Company.

POLAND. 18 Dec.—*East Germany*. President Pieck of east Germany arrived in Warsaw on a state visit.

Trials. Warsaw radio reported that three British subjects, including Group-Captain Turner, former British Air Attaché, had been sentenced to terms of imprisonment ranging from seven to eighteen months for attempting to smuggle a Polish woman out of the country.

19 Dec.—Two British Government officials who had been alleged in the previous day's trial to be engaged in espionage, were asked to leave Poland immediately.

29 Dec.—*Great Britain*. The British Information Centre in Warsaw was closed.

RUMANIA. 21 Dec.—Estimate of armed strength (*see Yugoslavia*)
27 Dec.—Rumanian-Yugoslav frontier incident (*see Yugoslavia*).

SOUTH AFRICA. 1 Jan.—Dr E. G. Jansen succeeded Major van Zyl as Governor-General.

SPAIN. 20 Dec.—*Norway*. It was announced that a commercial agreement with Norway had been signed in Madrid.

27 Dec.—Resumption of diplomatic relations with the U.S.A. (*see United States*).

31 Dec.—In a New Year's Eve broadcast to Spaniards, Gen. Franco referred to Spain's intensified military preparations and her urgent need of external aid.

SUDAN. 29 Dec.—Pakistan support of Egyptian claims (*see Egypt*).

SWITZERLAND. 18 Dec.—*International Coal Conference*. It was learned that agreement had been reached on methods of reducing the effects of the coal shortage at a conference in Geneva attended by delegates of eighteen western and central European countries including Poland, Czechoslovakia, and Yugoslavia. Adjustments and concessions were made to ensure that available supplies of coal would be equitably distributed among the importing countries. Exporting countries were requested rapidly to increase production.

TIBET. 27 Dec.—Chinese invasion of eastern Tibet (*see India*).

29 Dec.—It was officially confirmed in Delhi that the Dalai Lama had left Lhasa and was known to have reached Gyantse, about 120 miles to the south-west. Reports received from Lhasa stated that all was quiet there and the Kashag (Council of Ministers) was continuing in power.

TRIESTE. 2 Jan.—*Marshall Aid*. It was learned that Marshall aid funds for Trieste had been cut for the current year to \$6,200,000 enforcing a modification of the long-term investment plan. Italian funds were enabling Allied Military Government to complete the shipbuilding programme.

UNITED NATIONS

ECONOMIC COMMISSION FOR EUROPE

22 Dec.—*Steel*. The Commission reported that Britain and western Europe produced over 37 m. tons of crude steel in the first nine months of 1950. Individual figures were given for the various countries. Russian production for 1949 was estimated at 20.6 m. tons. U.S. production was 70.6 m. tons.

GENERAL ASSEMBLY

Political Committee

18 Dec.—*Chinese Intervention in Korea*. Mr Lester Pearson, Canadian Minister of External Affairs, told the Committee that the Cease-fire

U.N. GENERAL ASSEMBLY, *Political Committee (continued)*

Committee of three on being told by General Wu Hsiu-Chuan, the Peking delegate, that he was not empowered to discuss cease-fire arrangements, had sent a cable to Peking saying that they were ready to discuss cease-fire arrangements with their Government or its representative, in New York or elsewhere, and emphasizing the urgency of the matter. The Committee decided against Soviet opposition to suspend discussions on Korea and Formosa and to adjourn indefinitely.

3 Jan.—*Chinese Intervention in Korea.* Sir Benegal Rau, India, a member of the Cease-fire Committee of three, reported on the committee's attempts to establish a cease-fire which failed owing to the Peking Government's refusal to negotiate (*see CHINA 22 December*). He said the basis for negotiations which had been accepted by the U.N. command had been: (1) cessation of all acts of armed force in all Korea; (2) establishment of a demilitarized area across Korea, about twenty miles in depth, with the 38th parallel as its southern limit; (3) all ground forces to remain in position or be withdrawn to the rear, and forces including guerrillas to be moved to the rear of the demilitarized area; (4) the cease-fire to be supervised by a U.N. commission with access to the whole of Korea; (5) no further reinforcements to be introduced by either side; (6) prisoners to be exchanged on a one-for-one basis. Provision would also have been made to ensure the security of forces and the movement of refugees, and for problems of civil government and policing in the demilitarized zone. The proposals were subject to confirmation by the General Assembly. After a denunciation of U.S. policy by M. Malik (U.S.S.R.), Mr Austin (U.S.A.) reaffirmed that there could be no appeasement of Chinese aggression but said that the U.S. Government remained ready to open discussions with Peking. A proposal by Sir Gladwyn Jebb (U.K.) for a forty-eight-hour adjournment for consultations was adopted by 48 votes to 5 (Soviet States) with 7 abstentions.

SECURITY COUNCIL

27 Dec.—*Korea.* Two dispatches were received from Gen. MacArthur in which he reported on the progress of operations and traced the course of Chinese intervention. He announced that by December the Chinese Communists were credited with having assumed direct responsibility for the entire front in North Korea except for a short line north of Chongjin, and he estimated the strength of the new Chinese forces at 250,000. Nearly a third of U.N. forces had been employed against guerrilla units which were estimated at 35,000 and which appeared to be controlled by the enemy High Command.

UNITED STATES. 18 Dec.—*War-time Powers.* President Truman sent a letter to the Speaker of the House asking for a restoration before the end of the session of those parts of the War Powers Act which allowed the transfer or co-ordination of Government bureaux in the interests of efficiency, and the breach or alteration of contracts by departments or agencies regardless of contract law.

19 Dec.—*Mr Acheson*. President Truman, referring at a press conference to Republican demands for the dismissal of Mr Acheson, said that Mr Acheson's policy had been consistently directed towards resistance of Communist aggression, and he would not dismiss him.

China. Gen. Wu Hsiu-Chuan and his mission left the U.S.A. to return to Peking.

North Atlantic Treaty. Gen. Eisenhower announced that Gen. Gruenther, Deputy Chief of Staff, U.S. Army, would be his Chief of Staff.

Conference of U.S., U.K., and French Foreign Ministers on Germany (*see North Atlantic Treaty*).

Raw Material Restrictions. The National Production Authority ordered a reduction of 20 per cent in civilian supplies of tin during February and March.

20 Dec.—*Pan-American Meeting*. The Government made a formal request to the Organization of American States to call a meeting of the twenty-one republics.

Foreign Policy. Mr Hoover, former Republican President, said in a broadcast that western Europe should mobilize and equip large forces before more American men and supplies were sent over. He proposed the following basis of policy: preservation of the western hemisphere with Great Britain forming the Atlantic, and Japan and Formosa the Pacific frontiers; heavy air and naval rearmament coupled with Japanese independence and self-defence; reduction of Budget expenditure after the initial defence outlay, but continued aid to the hungry people of the world; and no appeasement. He estimated that supply routes for these Atlantic and Pacific frontiers would be maintained by American forces only. He said that America was not blind to the need to preserve continental Europe, but that efforts to unite the countries had failed, and he placed the primary obligations for defence on the shoulders of the western European nations themselves.

21 Dec.—*Allied-West German defence discussions* (*see Germany*).

22 Dec.—*Foreign Policy*. Mr Acheson, Secretary of State, said at a Press conference, that the policy of U.S. withdrawal had been regularly considered by the National Security Council and as regularly dismissed. It would allow a quick Russian conquest of the Eurasian land mass yielding greater economic resources than those of the western hemisphere and a superior strategic position. The U.S.A. would then be placed at such a disadvantage at the conference table that she would eventually be forced to fight without allies.

Wage Freeze. The Government exercised for the first time its power to freeze wages by issuing an order stabilizing wages in the motor car industry until 1 March.

Note to U.S.S.R. on four-Power conference (*see U.S.S.R.*).

Hong Kong. A Commerce Department spokesman said that the export ban to Communist countries would be modified sufficiently to allow shipment of goods to Hong Kong and Macao for 'minimum essential civilian requirements'.

23 Dec.—*Military aid to Indo-China* (*see Indo-China*).

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26 Dec.—*Israel*. The Export-Import Bank announced a new \$35 m. loan to Israel for agricultural development.

27 Dec.—*Spain*. It was announced that full diplomatic relations with Spain were to be resumed and that Mr Stanton Griffis would be appointed U.S. Ambassador to Madrid.

28 Dec.—*Defence Restrictions*. The National Production Authority announced that from 29 December, in order to safeguard the supply of rubber, the Government would be the sole importer and distributor. The Authority also issued an order prohibiting the hoarding of fifty-five scarce materials. Banks were ordered by the Federal Reserve Board to increase their reserve deposits as an anti-inflationary measure.

Defence. A call was issued for 80,000 conscripts in March, bringing the total drafted to the army since the outbreak of the Korean war to 450,000.

Italy. A State Department spokesman said that U.S. financial aid had been promised to Italy for her rearmament programme.

Technical aid to India under Point Four Programme (*see India*).

Chinese seizure of U.S. assets (*see China*).

29 Dec.—*U.S.S.R.*: *Japan*. An *aide memoire* on a peace treaty with Japan which was delivered to Mr Malik, Soviet representative, in New York, stated that the United States could not accept the Soviet view that there could only be peace on terms dictated by one Power, and asked whether it was the Soviet Union's view that there could not be peace until terms were found which were fully satisfactory to the forty-seven nations which adhered to the declaration of 1 January 1942. The U.S. Government considered that the Cairo declaration of 1943, like other war-time declarations such as those of Yalta and Potsdam, were subject to any final peace settlement, and they could not agree with the Soviet Union that the views of other allies not represented at Cairo should be ignored. The U.S. Government favoured the ending of the military occupation of Japan on the signing of a peace treaty, and considered that as irresponsible militarism still existed in the world, Japan should then be allowed to participate in arrangements for individual and collective self-defence such as were envisaged by the U.N. Charter and which could include provision for the stationing in Japan of troops of the United States and other nations.

Foreign Policy. Mr John Foster Dulles, Republican adviser to the State Department, in a speech to the American Association for the United Nations, endorsed the Administration's foreign policy and rejected Mr Hoover's thesis in favour of a withdrawal to defence of the western hemisphere. He said that the mood which planned such a defence and accepted encirclement carried within it the seeds of its own collapse. The only effective defence in the case of open Soviet aggression would be the capacity to counter attack with every form of weapon and with maximum flexibility, mobility, and surprise. Russian internal vulnerability was an important asset which could be increasingly developed as a deterrent of war.

30 Dec.—*Foreign Policy*. Mr Acheson, in a statement reviewing the

past year, listed as achievements: U.N. action in Korea, the strengthening of the General Assembly, the progress of the North Atlantic Treaty Organization and the Mutual Defence Assistance Programme, the modest beginning of Point Four, and the 'tremendous strides' in European recovery under the Marshall Plan. He reaffirmed that the United States would stand by its friends and said that to abandon them would be a gigantic act of appeasement which would gratify the Kremlin. The United States would continue under the United Nations to combat aggression, and in order to do so would speed up rearmament, continue economic aid to other countries for redirection where necessary to strengthen defences, expand its international information programme, and close its political ranks at home.

Communist Party. It was announced at a national convention of the Communist Party in New York that the Chairman had called on Communists in the United States to oppose all preparations for 'an imperialist war'.

Chinese seizure of U.S. companies in Shanghai (*see China*).

31 Dec.—Soviet Note on four-Power conference (*see U.S.S.R.*).

1 Jan.—E.P.T. The House approved the Excess Profits Tax Bill, already passed by the Senate, imposing a 77 per cent tax on excess profits retroactive to 1 July.

Mr Dewey, Governor of New York, in a speech accepting the Governorship for a third term of four years, rejected Mr Hoover's thesis of a withdrawal to defence of the western hemisphere, and urged the need for sacrifice in a courageous unified resistance of the free countries to the Communist threat.

2 Jan.—**Defence.** The Senate approved and sent to the White House the supplementary defence appropriations Bill for \$20,000 m., including nearly \$17,000 m. for the armed services, \$1,065 m. for expansion of the atomic energy programme, and nearly \$1,900 m. for stockpiling of critical materials. The Senate also passed a Bill providing for a civil defence administration at a cost of \$3,100 m.

Emergency Powers. A Bill was passed by both Houses granting the President powers to modify defence contracts but not to reorganize agencies involved in the defence programme.

U.S.S.R. Mr Dean, Chairman of the Atomic Energy Commission, said emphatically in answer to a press question, that Russia possessed the atom bomb.

3 Jan.—In his annual message to the New York Legislature, Governor Dewey asked for laws giving him emergency powers and the authority to create a defence council with power to act promptly. He recommended an examination as to their loyalty of all civil servants in 'sensitive areas'.

The eighty-second Congress was inaugurated. President Truman signed the Excess Profits Tax Bill and announced that further taxation would be necessary to finance defence. He later issued an order creating the Defence Production Administration for the co-ordination and direction of defence production.

Constitution. The power to shelve indefinitely any legislation except

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appropriation bills was restored to the House Rules Committee by a vote in the House in which 92 Democrats joined 152 Republicans to defeat 179 Democrats.

U.S.S.R. 18 Dec.—*Yugoslavia*. It was learned from Moscow radio that Albania, Bulgaria, and Hungary had recently protested to Yugoslavia against alleged frontier violations.

22 Dec.—Estimate of 1949 steel production (*see U.N. Economic Commission for Europe*).

Four-power Conference. Notes in identical terms were received from the U.S., British, and French Governments in reply to the Soviet Note of 3 November. The Notes rejected the Soviet proposal that discussion of the demilitarization of Germany and the creation of a unified German Government elected equally by east and west Germany as proposed by the Prague communiqué of 21 October should form the basis of a four-Power conference. Pointing out that any discussion by the Western Powers of the inclusion of German units in the defence of western Germany had been compelled by the Soviet rearming of eastern Germany, and attributing the state of international tension to Soviet general policy since the war, the three Powers stated that any four-Power conference should not be limited to discussion of Germany alone and expressed their readiness to designate representatives to discuss with a Soviet representative a wider agenda including all principal outstanding problems.

26 Dec.—Interpretation of Soviet policy in Korea (*see Yugoslavia*).

29 Dec.—U.S. Memorandum on Japanese peace treaty (*see United States*).

31 Dec.—*Four-Power Conference*. In Notes in identical terms handed to the U.S., British, and French Ambassadors in Moscow in reply to their Notes of 22 December, the Soviet Government stated that, while continuing to regard the demilitarization of Germany as the most important problem in ensuring peace, it was ready, as stated in its Note of 3 November and in the Prague communiqué of 21 October, to discuss other questions concerning Germany. It accepted the proposal for a preliminary conference to fix the agenda for the session of the Council of Foreign Ministers, and suggested that this should be held in Moscow, Paris, or London. The Soviet Government questioned the Western Powers' assertions that the Prague communiqué had been rejected by the majority of the German people, and expressed surprise that they themselves should reject them before their examination by the four Powers. Former Soviet accusations concerning the rearming by the Western Powers of western Germany were repeated, and it was stated that their assertions regarding the rearming of east Germany as justification for their action were without foundation.

2 Jan.—U.S. statement *re* atom bomb (*see United States*).

WESTERN UNION. 20 Dec.—The tenth session of the consultative council of the Brussels Treaty took place in Brussels. A statement issued

after the meeting said it had been decided, in the light of the recommendations of the Atlantic Council regarding the establishment of a unified command organization for Europe, that a reorganization of the Western Union defence organization was necessary, but it would in no way affect the obligations of members under the Brussels Treaty. Collaboration in the political, social, and cultural fields would continue. Reports on social and cultural co-operation of the five countries were approved and directives given for the development of the work. Mr Bevin urged at the meeting that the organization's work should be completed before the organization was handed over. After a discussion of the report of the Social Committee, it was decided that a study should be made of the health of civilian populations in war-time.

WEST INDIES. 1 Jan.—Annual report on Jamaica (*see Great Britain*).

3 Jan.—*Jamaica*. Police intervened with tear-gas and batons when sugar workers on strike attacked strike-breakers.

YUGOSLAVIA. 18 Dec.—Protests from Albania, Bulgaria, and Hungary (*see U.S.S.R.*).

21 Dec.—*Cominform Hostility*. Gen. Loncharevich, a senior political general, referred, in a speech on the ninth anniversary of the army, to the possibility of an attack by Cominform forces. He said that during 1950 Cominform countries had perpetrated 704 frontier incidents including the killing of five frontier guards, and Cominform leaders were openly making claims on Yugoslav territory. Hungary and Rumania, who were entitled under the peace treaty to 70,000 and 138,000 troops respectively, had in fact twice those numbers, and Bulgaria had three times the number of 55,000 allowed. The General declared, however, that in case of war, Yugoslavia would have the help of the peace-loving countries.

Great Britain. Offer of further credit of £2 m. (*see Great Britain*).

22 Dec.—Marshal Tito said in an address to military units that Yugoslavia would only fight to safeguard her own freedom and in a just war of liberation; she would not fight for any other country's interests, nor would she touch another country's freedom.

23 Dec.—Agreements with Italy (*see Italy*).

26 Dec.—*Soviet Policy in Korea*. It was learned that in an article analysing Soviet policy in Korea which had appeared in the current number of *Komunist*, the official organ of the Central Committee, Russia's main aims were interpreted as follows: (1) to re-establish Soviet prestige and regain the initiative; (2) to alter the balance of power in the Far East and acquire the Korean bridgehead; (3) to use Korean successes to intimidate other countries opposing Soviet expansion, including Yugoslavia; (4) to exploit the Korean peoples' desire for unity and present Russia as the protector of colonial peoples; (5) to use the Korean war to complicate the international situation in order to subjugate national liberation movements in Asia, especially in China, to Soviet hegemony, and to suppress every attempt of European peoples under Soviet domination to achieve equality with the Soviet Union.

YUGOSLAVIA (*continued*)

27 Dec.—*Budget*. In the draft Budget presented to Parliament, defence expenditure was increased by 3.9 per cent compared with the previous year to reach a total of 29,100 m. dinars, representing 17 per cent of the Budget. The total Budget amounted to 172,662 m. dinars and provided for increased expenditure on health and social services and cuts in capital construction and administration expenses.

Rumania. A statement announced that Yugoslav frontier guards had shot dead a man in Rumanian uniform who crossed the Yugoslav-Rumanian border near Radojevo and refused to stop in spite of warning. The Government had proposed to Rumania that a joint commission be formed at once to investigate the incident.

28 Dec.—*Five-Year Plan*. Mr Kidrich, president of the Federal Planning Commission, asked the Assembly to prolong for one more year the five-year plan, due to end in 1951, which could not be entirely fulfilled owing to circumstances beyond their control such as the drought and the Cominform economic blockade. Agricultural production in 1950, valued at 38,309 m. dinars, had, as a result of the drought, fallen to 62.2 per cent of the 1949 figure and 60.8 per cent of the amount planned.

Budget. Introducing, as Defence Minister, the military budget to a joint session of both Houses of the Assembly, Marshal Tito said that an increase in rearmament was necessary owing to the growing threat to Yugoslavia from her Cominform neighbours. He appealed to those countries to return to peaceful co-operation and to avoid becoming 'the instruments of a foreign imperialist policy'.

29 Dec.—*Foreign Policy*. In a review before the Assembly, M. Kardelj, Foreign Minister, welcomed improved relations with Greece, Italy, and Austria, and economic aid from the U.S.A., Britain, and Norway. He also announced a French promise of economic aid.

31 Dec.—*Amnesty*. An amnesty for 11,327 persons, many of whom were political prisoners, was announced.

3 Jan.—Negotiations with Greece on restoration of communications (*see Greece*).